OFFICE OF INTERGOVERNMENTAL AFFAIRS

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- 'Team Florida' Trades With Canada
- **U.S. Muslim Leaders** Seek Peace in Sudan
- 400+ Meet and Greets With State and Local **Officials**

The following oublications are available upon request:

- A Year in Iraq
- Patterns of Global **Terrorism**
- IGA: Working With State and Local Governments
- Fifty Years of U.S. Food **Assistance**
- **Diplomatic List**
- Key Officers of Foreign **Service Posts**
- **U.S. Department of** State: A Guide to Doing **Business**
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quarterly news

Intergovernmental **Affairs**

Message From the Director

 T n this issue of the IGA Quarterly we tally our activities over the last year, share news from our state ▲ and local colleagues and give you a sneak peak at what you can expect from the State Department over the next few months.

First, we want you to be aware that the Organization for Security and Cooperation in Europe (OSCE) will send a delegation of international observers to monitor the U.S. presidential elections in November. The OSCE will contact states directly to coordinate the who, what, when and where for the observers' visit. As of this writing, the OSCE has not selected the specific states it intends to observe—as soon as we know, we will advise you. In addition to the U.S. Department of State, the OSCE has met with the National Association of the Secretaries of State pursuant to its intent to observe U.S. elections.

Mayor Louis Barletta, of Hazleton, Pennsylvania, was recently appointed to the United Nations Advisory Committee of Local Authorities. The Advisory Committee, established in recognition of the importance of local authorities to promote sustainable urban development, provides advice to UN-HABITAT, the UN agency responsible for housing and urban development.

We extend our heartfelt thanks to the City of Memphis for its warm reception of Singapore Foreign Minister Yeo and his family. Memphis redefined the term southern hospitality!

Portia Palmer, Director, Office of Intergovernmental Affairs, Bureau of Public Affairs

U.S. Elected Officials Abroad

Florida Trade Mission to Canada: Recently, Florida Governor Jeb Bush led more than 100 Florida business leaders on a 'Team Florida' trade and business development mission to Montreal and Ottawa, Canada. "Our mission to Canada was highly successful and one that we expect will generate a great return on investment in the future," said Governor Bush. "Canada is the Sunshine State's second-largest international market for Florida-origin exports and plays a vital role in the overall health of



Kevin McNamara, Florida Regional President, RBC Centura Bank; Randy Berridge, President, Florida High Tech Corridor Council, Inc.; Carmenza U. Gonzalez, Vice President, Metro Orlando Economic Development Commission; Governor Jeb Bush of Florida; Mia Thomas, Manager, Chastang, Ferrel, Sims & Eiserman, LLC; Maria Grulich, Director, Osceola Economic Development Department; Kate Fishers, Partner, Chastang, Ferrel, Sims & Eiserman, LLC; Charlie Sloan, Executive Vice President, Metro Orlando Economic **Development Commission**

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our economy. Through successful missions as just completed, we foster key international relationships that ultimately maximize the robust trade and investment prospects for our state,"

Governor Bush met with Canadian Prime Minster Paul Martin, Premier Jean Charest of the Province of Quebec, U.S. Ambassador to Canada Paul Cellucci, and Ontario's Minister of Economic Development and Trade Joseph Cordiano.

Governor Bush also led a series of high-level business meetings with Canada's preeminent industry leaders.

Canada imported \$2.36 billion in Florida goods last year and invested an estimated

\$5.5 billion in the state's economy during the most recent year for which data is available (2001), making it Florida's second-largest export market for state-origin goods and largest foreign investor. Canadian investment accounts for more than 29,100 Florida jobs, nearly 10 percent of all foreign-affiliated employment in the state.

Travel to Sudan:

A 15-member delegation from the Islamic Society of North America traveled to Sudan on a peace mission. North Carolina State Senator Larry Shaw, Missouri State Representative Yaphett Johnson, Indianapolis City Councilman Patrice Abdullah and other members of the delegation visited

refugee camps in the Darfur region and met with U.S. Embassy officials, including acting U.S. Ambassador to Sudan Gerard M. Gallucci and UN Representative for Sudan Jan Pronk.

U.S. Government support for the humanitarian crisis in Sudan exceeds \$200 million. For more details please visit www.USAID.gov. ■



In July, the Islamic Society of North America issued a statement that urged Sudanese President Omar el-Bashir to "ensure the safety and security of all citizens."

State Governments and the International Economy

Guest Columnist: Earl H. Fry, Ph.D.

ver the past few years, most state governments have faced their greatest budgetary crisis in a half century. Some decided that active participation in the international economy was no longer a priority, with California and Connecticut hastily shutting down all of their 19 international offices. Others have decided to stay the course, with 42 states currently operating 224 offices in 30 countries.¹

Many argue that growing globalization explains why state governments must be actively involved internationally, but globalization is a very vague term connoting different things to different people. Let's provide concrete data to buttress this globalization thesis.

The United States exported \$1.02 trillion in goods and services in 2003, and this equates to about 12 million jobs for American workers.² Foreign direct investment in the United States topped \$1.38 trillion at the end of 2003 with foreigners controlling over \$9.6 trillion in total U.S. assets.³ Foreign-owned companies, including banking affiliates, now provide almost seven million

jobs for Americans.⁴ Over 40 million foreign visitors also traveled to the United States in 2003 and their expenditures helped provide almost another million jobs for U.S. workers.⁵

As U.S. companies look to expand, they are increasingly interested in the fact that 95.4% of potential consumers and perhaps 75% of total global GDP are to be found outside America's borders. Only 1% of U.S. small businesses currently export, and among those that do ship goods or services abroad, 63% sell to only one foreign market.⁶ The potential for greater export, inward investment, and inward tourism activity is enormous, and state governments understand how growth in these sectors will expand both local job opportunities and their own revenue streams.

Federal-state government cooperation in expanding economic opportunities at home and abroad is imperative. The U.S. Government has diplomatic relations with about 180 countries and maintains over 250 missions or posts around the world. The U.S. Commercial Service, which is geared to help small and medium-sized companies to be engaged internationally, has offices in more than 100 U.S. cities and 80 foreign countries. Local business and state government representatives should be taking advantage of federal resources on a regular basis and use this expertise to identify

Visa Waiver Program News

President Bush signed a one-year postponement of the requirement that Visa Waiver Program countries include biometrics (photo and fingerprint) in passports. This change will allow the 27 countries (see list below) whose citizens may visit the U.S. for 90 days without a visa to implement the necessary mechanisms to issue biometric passports by October 2005. To mitigate security concerns related to this extension, the Department of Homeland Security began enrolling Visa Waiver Program travelers through the U.S. Visitor and Immigrant Status Indicator Technology (US-VISIT) program at all airports and seaports on or about September 30, 2004.

The U.S. Department of State, in cooperation with the Departments of Homeland Security and Commerce, is coordinating an aggressive outreach campaign to explain these new procedures to foreign audiences and stakeholders while reaffirming America's historic role as a nation that welcomes visitors. The information campaign includes the creation of a central, up-to-date web portal about the visa process: www.unitedstatesvisas.gov, brochures, an educational video to be distributed in multiple languages to overseas audiences through U.S. Embassies and Consulates, as well as active outreach to global media and stakeholder groups.

VISA WAIVER PROGRAM COUNTRIES				
Andorra	Austria	Brunei	Finland	Germany
Iceland	Italy	Liechtenstein	Monaco	New Zealand
Norway	San Marino	Slovenia	Sweden	United Kingdom
Australia	Belgium	Denmark	France	
Ireland	Japan	Luxembourg	The Netherlands	
Portugal	Singapore	Spain	Switzerland	

overseas customers and to coordinate in setting up international trade missions and participation in international trade shows.

Federal officials must also listen more intently to the concerns of state representatives. Both inward direct investment flows and U.S. export activity fell in the aftermath of 9-11, and only began to recover in late 2003. Foreign visits to the United States are down dramatically, with 10.5 million fewer visitors in 2003 than 2000, and spending in the United States down by over \$20 billion, resulting in significant job losses in tourism-oriented communities.⁷ Both federal and state officials need to balance our heightened security concerns with the need to expand business opportunities and to convince foreigners that both their investment projects and visits to this country are enthusiastically encouraged.

Economic globalization is a fact of life and state governments should remain engaged internationally in an effort to enhance and safeguard the economic well-being of the people whom they represent. In the dynamic U.S. federal system, consistent and continuous intergovernmental cooperation at the federal, state, and local levels will be needed in order to maximize American economic interests both at home and abroad.

Please note: The views expressed in this article are the author's and do not represent U.S. Government policy.

- ¹ State International Development Organizations, SIDO Survey 2004: Emerging Trends in State International Business Development (Washington, D.C.: SIDO, 2004).
- ² U.S. Department of Commerce, International Trade Administration.
- ³ U.S. Department of Commerce, Bureau of Economic Analysis.
- ⁴ William J. Zeile, "U.S. Affiliates of Foreign Companies: Operations in 2001," *Survey of Current Business*, August 2003, 56.
- ⁵ U.S. Department of Commerce, Office of Travel and Tourism Industries.
- ⁶ U.S. Department of Commerce, Export.Gov.
- ⁷ U.S. Department of Commerce, Office of Travel and Tourism Industries.

About the Author: Dr. Earl H. Fry is Professor of Political Science and Endowed Professor of Canadian Studies at Brigham Young University. A former Fulbright lecturer at the Sorbonne, he has published numerous books and articles about U.S.-Canadian relations and the role of state and local governments in foreign affairs. For more information on Professor Fry's research, please visit his website:

http://fhss.byu.edu/POLSCI/FacultyPublications/indexfry.htm

Outreach: The U.S. Department of State in Your Community

This map highlights the Department of State's activities in your cities and states during the previous fiscal year 2003-2004

Over the past year, the Office of Intergovernmental Affairs initiated, coordinated or supported:

428 meetings with elected officials, more than 57,000 meet and greets with elected officials at conferences and annual meetings, and more than 400 responses to requests for assistance from elected officials.



Summer 2004 Meetings and Conferences Wrap-up

GA spent much of the summer meeting with you and your colleagues at state and local government conferences. In June, the IGA office arranged for U.S. Global AIDS Coordinator, Ambassador Randall Tobias, to address a plenary session of the 72nd Annual U.S. Conference of Mayors in Boston. The President's \$15 billion Emergency Plan for AIDS relief is an aggressive prevention, treatment and care program in 15 countries in Asia, Africa, and the Caribbean. "Early and effective leadership by high-level political leaders can contain and even roll back epidemics—as we have seen in a number of places in Africa and elsewhere. ...Leadership spurs action and magnifies its effects. Leadership is simply essential if

we are to change the course of

HIV/AIDS," Ambassador Tobias noted.



U.S. Global AIDS Coordinator Amb. Randall Tobias

For more information about the **President's Emergency Plan for AIDS Relief**, please contact the Office of Intergovernmental Affairs at (202) 647-5358 or visit http://www.state.gov/s/gac/.

IGA also arranged for an impressive lineup of speakers to address the **Sister Cities International** annual meeting "Partners and Peace" in Ft. Worth, TX. Speaking during the opening session, U.S. Ambassador to the Organization of American States John F. Maisto outlined U.S. foreign policy priorities in the Western Hemisphere. A workshop devoted to best practices in building partnerships with Arab and Muslim communities featured remarks by Special Assistant to the President for Intergovernmental Affairs Toby Burke, Deputy Assistant Secretary for Educational and Cultural Affairs Travis Horel, Professional Exchanges Program Supervisor Ray Harvey, and Special Advisor to the Under Secretary for Public Diplomacy Heidi Fincken.

In Phoenix, the State Department's Intergovernmental Affairs office hosted an information booth during the National Association of Counties' annual conference. The meeting provided an opportunity to reach out to more than 3,000 county executives, commissioners, supervisors, and other local government officials to describe how international engagement benefits America's counties.

IGA also participated in the National Conference of State Legislatures' annual meeting in Salt Lake City, UT. Intergovernmental Affairs staff fielded

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questions about recent developments in Iraq, Sudan, and Afghanistan. Billed as the largest legislative gathering in the U.S., more than 4,000 state legislators and staff attended the meeting. The theme of this year's meeting was "The New Legislative Reality." Workshops and plenary sessions focused on the changes that the state legislature as an institution is undergoing, including topics such as term limits, citizen initiatives, state budget shortfalls, taxes, and Medicaid.

Foreign Policy Institute for State Legislators Visits State Department

n July 14, the Office of Intergovernmental Affairs hosted a bipartisan delegation of 17 women state legislators organized by the Center for Women Policy Studies. The State Department's Senior Coordinator for International Women's Issues Charlotte Ponticelli discussed the Administration's policy initiatives in Iraq, Afghanistan and elsewhere in the Arab and Muslim world with the lawmakers.

Former Mayor Appointed U.S. Ambassador to Poland



Victor Ashe was nominated by President Bush to be Ambassador to the Republic of Poland and sworn in by Secretary Colin Powell on June 23, 2004. Ambassador Ashe has a long history of public service, having served over 31 years in elective office at the state and

local level in Tennessee. In December 2003, he completed 16 years as Mayor of Knoxville, making him the city's longest serving mayor. While mayor, Ashe was elected president of the U.S. Conference of Mayors in 1995 and was appointed by both Presidents George H.W. Bush and Bill Clinton to the Advisory Commission on Intergovernmental Relations. Ambassador Ashe also served for 15 years in both houses of the Tennessee State Legislature. ■

Foreign Travel to U.S. Up 24% in June 2004

he U.S. Department of Commerce released new figures indicating overseas arrivals (not inclusive of Canada and Mexico) increased by 24 percent over June of 2003 and increased 21 percent for the first six months of 2004.

"This is an encouraging trend for our growing economy, which benefited from more than \$80 billion spent by visitors to the U.S. last year," said Deputy Assistant Secretary of Commerce for Service Industries, Tourism and Finance Douglas B. Baker.

Here are some highlights from June's survey:

- Asian visitation increased 43 percent over June of 2003 and increased by 32 percent for the first six months of 2004. Japanese arrivals grew by 55 percent in June and were up 36 percent for the first six months, accounting for almost two-thirds of all Asian visitors.
- Western European visitation levels were up 17 percent in June, and up 18 percent for the first six months of 2004 over 2003, supported by growth from all top markets.
- United Kingdom visitation increased 11 percent over June of 2003 and was up by almost 14 percent for the first six months. This growth maintains the U.K. as the top overseas market for the United States.

For more information about international tourism, please visit http://www.tinet.ita.doc.gov/

IGA on the Horizon

Be sure to check this section each quarter for updates...

OCTOBER 2004

International City/County Manager AssociationOctober 17 - 20

Annual Conference • San Diego, CA

NOVEMBER 2004

California Association of Counties

November 16 - 19 Annual Conference • San Diego, CA

National League of Cities

November 29 - December 3 Congress of Cities and Exposition • Indianapolis, IN

National Black Caucus of State Legislators

November 29 - December 3 Annual Legislative Conference • Philadelphia, PA

DECEMBER 2004

National Conference of State Legislatures

December 10 - 12 Fall Forum • Savannah, GA

Upcoming Hometown Diplomat Visits OCTOBER 2004

Ken Hillas, Deputy U.S. Ambassador to the Czech Republic $\operatorname{Bangor}, \operatorname{ME}$

James Kenny, U.S. Ambassador to Ireland Chicago, IL

About the Office of Intergovernmental Affairs

How the IGA Office can help

Access:

- Coordinate meetings with Department experts in Washington or your community;
- Arrange special-issue briefings; and
- Create a forum in which your foreign policy views can be heard by senior Department officials.

Assistance:

- Provide information on foreign policy, international trade, education, exchanges, and protocol issues;
- Engage the support of U.S. Embassies and Missions for official delegations' travel abroad; and
- Direct state and local officials to the appropriate Department office for international, travel, or foreign policy concerns.

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